



2014 STIP Fund Estimate Draft Assumptions

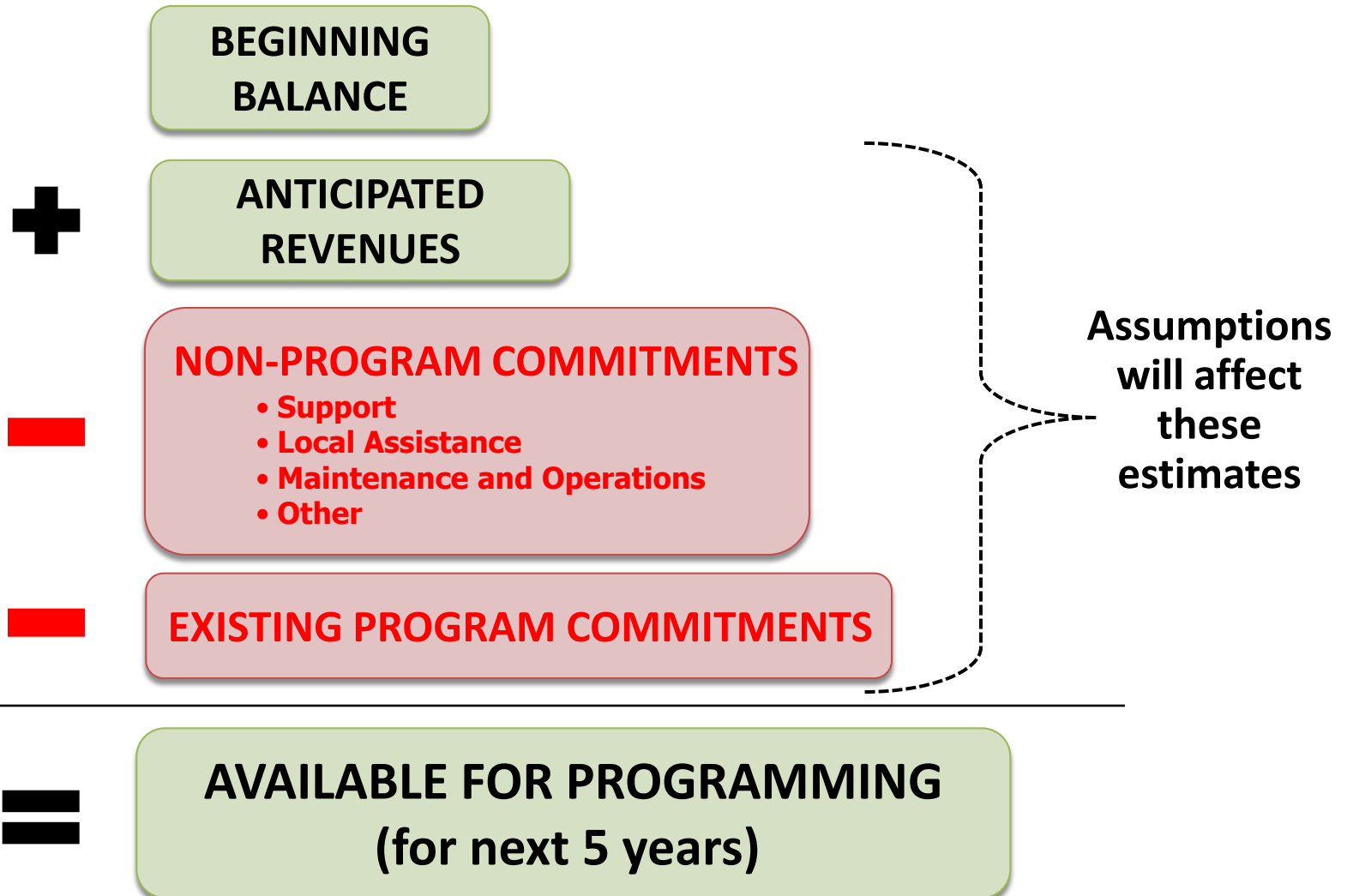
Assumptions Background

- **Discussion of Options & Significant Issues**
 - No Commission action required at this meeting
 - Importance & consequences
 - Department to work with Commission staff
 - Other assumptions

Assumptions Background

- **Changes in Law are Unpredictable and Often Affect Revenues After Adoption of the FE**
 - 2002 FE – AB 1750 partially suspended Prop 42
 - 2004 FE – SB 1099 fully suspended Prop 42
 - 2006 FE – Repayment of Prop 42 delayed
 - 2008 FE – Third appellate court ruling
 - 2010 FE – Fuel tax swap & Proposition 22
 - 2012 FE – AB 105 & AB 115

Cash Flow Methodology



Key Assumptions - Options

- **Economic Recovery & Impact On Revenues**

- **Recommendation: VMT & CAFE Standards Alternative**

- ✓ State revenues for non-STIP: \$20.0B/FE period
 - ✓ State revenues for hwy STIP: \$3.6B/FE period

- **Federal Revenues**

- **Recommendation: 2011-12 Actual Level**

- ✓ \$3.3B of OA per year: \$16.5B/FE period

Key Assumptions - Options

- **Motor Vehicle Account Transfers**

- **Recommendation: \$10M transfer each year of the FE period**

- ✓ Statute permits transfer to SHA
 - ✓ No transfers in at least the last ten years

Key Assumptions - Significant Issues

- **Transportation Loan Repayments**

- Current law requires displaying the repayment according to statute.
 - ✓ Budget action has delayed repayment in the past
 - ✓ Repayments not statutorily due until June

- **State Transit Assistance**

- Current law requires a 64 percent transfer of the sales tax on diesel revenues from the PTA.
 - ✓ Current proposed budget displays a transfer equal to 64 percent
 - ✓ Revenue estimates contingent upon diesel fuel price volatility

Key Assumptions - Significant Issues

- **Section 183.1 Revenues**

- Current law requires Section 183.1 revenues to remain in the SHA until appropriated by the Legislature.
 - ✓ Current proposed budget displays a transfer equal to \$67M in 2013-14

- **Active Transportation Program**

- The 2013-14 Governor's Budget proposes a shift of \$134.2M in state and federal resources to a new Active Transportation Program.
 - ✓ Consolidates five existing programs
 - ✓ Impacts SHA and Transportation Enhancement in FE

Next Steps

- **Work with Commission Staff**
 - Incorporate changes and finalize assumptions
- **Approve Final Assumptions at May 7 Commission Meeting**
- **Remaining Timeline:**

Date	Objective
May 7	FE Assumptions approved by Commission.
June 11	Draft of FE presented to Commission.
August 6*	Final FE presented to Commission for adoption.

*Adoption may be delayed due to pending legislation